

# Navigating the UK landscape:

It's time for a  
low-code approach

# Foreword

2020 has been a tipping point for British businesses.

We all know that COVID has changed everything. But in the UK, that change has been all the more acute due to coinciding with a little thing called Brexit.

All the uncertainty that businesses have faced since the UK's decision to leave the EU has been massively intensified by the pandemic.

Industries have entered a chapter of deep – you might say fundamental – transformation. And for businesses on the ground, contending with that change has been no small undertaking.

On a more positive note, throughout 2020, technology emerged as one hero in this difficult saga. IT has helped businesses keep the lights on, adapt and even prepare for the long-term combined impact of Brexit and COVID.

But how can technology keep meeting businesses' growing needs, when change is needed rapidly, and time and money are tight?

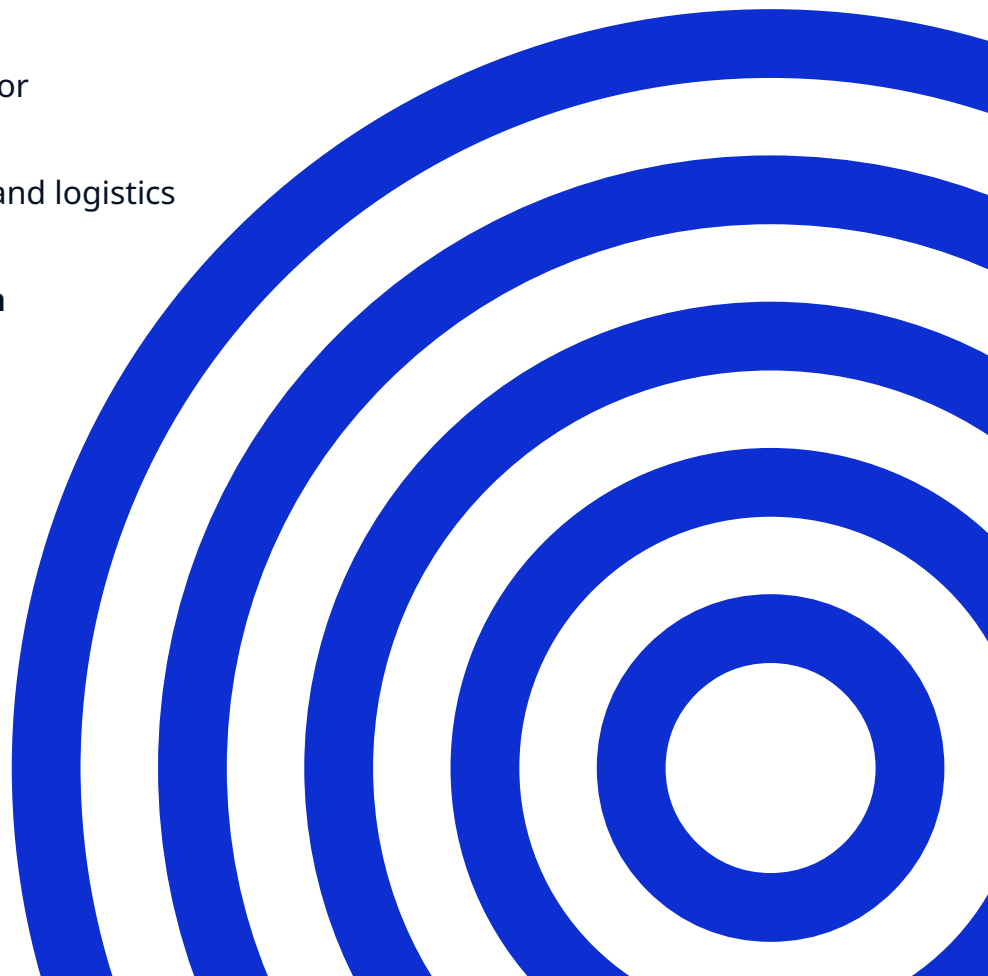
This report looks at the experiences of 1,000 IT and business leaders in the UK's financial services, insurance, public sector, and transport and logistics organisations.

We'll explore how the two forces of Brexit and the pandemic have reshaped the role of IT – and the opportunities for organisations to deliver the tech they need more quickly and collaboratively.

For better or worse, there's no going back. But there are lessons for all organisations to learn, to get the most out of technology and be more prepared than ever for what's next.

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# Chapter 1:

## Preparing for Bexit

Brexit has been on the horizon for UK businesses for many years. And although the exact form that the transition would take was still emerging when our IT and business leaders were surveyed in December 2020, companies haven't been standing still.



On average, businesses have been preparing for Brexit for 2.6 years, with most starting to kick off projects and investments 2.5 years ago.

Six in ten leaders have invested more in their organisation as a result of the transition, and technology is a major focus. Nearly two thirds of businesses are deploying new tech or processes, with new mobile and web solutions for staff featuring highly (64%).

Across the board, 64% say the UK's departure from the EU has changed their digital investment priorities.

# 1.3

the number of years business leaders think it will take to get back to the levels of productivity enjoyed before Brexit.

Unfortunately, in more recent months, the COVID pandemic has restricted – if not derailed – businesses' preparations. Almost two thirds of leaders agree that the outbreak has limited their focus on Brexit (64%).

Some aspects of the Brexit transition are more concerning than others. More leaders feel prepared when it comes to the increased cost and complexity of doing business (64%).

Keeping up with changing rules and regulations (62%) and countering disruption to cross-border operations (62%) are also areas where leaders feel relatively confident.

By contrast, it's on the people side that businesses are anticipating problems, with 14% of leaders admitting to feeling unprepared for difficulties hiring international talent and attracting foreign customers.

Ultimately, despite years of preparation, leaders still worry about Brexit's long-term impact. Six in ten are concerned that Brexit will shut off potential avenues of growth (60%) – or make it harder to secure and manage consumer data (62%).

On average, leaders predict it will take 1.3 years to get back to the levels of productivity enjoyed before the departure.

Despite all the disruption of the pandemic, most leaders admit they are more concerned about the impact of Brexit on their organisation than COVID (59%). There could be a long way to go.

# Chapter 2:

# Digital Investments

When we look back on 2020 in years to come, we might well remember it as the year when – without a whole lot of notice – the board room became the Zoom call. Social distancing led to some very rapid changes to where and how employees work.



British businesses had to shift their operations to respond to the pandemic and prepare for the transition from the EU. And for many organisations, the answer to both challenges was technology.

64% of IT and business leaders say that COVID has caused them to invest more in IT and digital technologies for their organisation.

Remote working tools have become essential – with businesses increasing their investment in these technologies by around a quarter on average. Cloud computing (27%), collaboration software (26%) and productivity software (26%) have seen the biggest gains.

But with Brexit on the horizon, businesses have also been using technology to boost their resilience.

A third of businesses have invested in digital projects boosting risk and compliance management tools (33%), online customer portals (33%) and data management software – all in direct response to the transition.

In fact, business resilience is seen as the top priority for the IT department (46%) – even ahead of agility or employee productivity. Keeping the lights on has never been more important, or more challenging.

# 46%



the number of businesses who think resilience should be the IT department's top priority - even ahead of agility or employee productivity.

For many businesses, the case for investing in digital is clearer than ever – but nonetheless leaders have concerns about their organisation’s approach.

A third say that – understandably – COVID has limited their ability to invest in new technology or processes of late (33%). But perhaps more worryingly, a quarter are worried their firm lacks a digital strategy to inform long-term investments (25%).

Some have had their fingers burned before, with previous investments proving more costly than expected (31%) or failing to benefit the organisation (28%). To counter this, they need more reassurance that they are investing in technologies that will support their business both in the short- and longer-term future.

Brexit and COVID have made it much harder to plan ahead. But without strategic clarity, leaders will struggle to work out the digital investments they really need and avoid repeating previous mistakes.

## DEVELOPERS’ CORNER: AN INFLEXIBLE ARCHITECTURE IS SO 2019

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2020 has proven the value of being able to implement new applications, at speed, when your needs change. And that has serious implications for our approach to IT infrastructure.

Once upon a time, upgrading your IT architecture meant completing a major overhaul, all at once. It took a lot of time and money, but you’d end up with a completed infrastructure that would serve the business.

But with COVID and Brexit, business needs are evolving too quickly for this traditional model. It’s time to consider moving to a composable enterprise. This enables businesses to add each application

to the tech stack one by one, like bricks of a Lego set, creating a model that evolves with the business. But you will need a new set of tools – and that’s where low-code platforms come in. A low-code platform provides a sandbox to create any application and ensure it works with others.

Importantly, it works with any operating system and fits anywhere in the tech stack, so you can link different systems and avoid integration headaches. This new approach can help organisations adopt new tech much more quickly – and keep up with business at the pace of 2021.

# Chapter 3:

## The role of the IT team

Just as 2020 changed our relationship with technology, the way businesses view and work with the IT team has shifted significantly too. In fact, two thirds of leaders believe that the role of the IT department fundamentally changed in 2020.



For many businesses, the team has played a critical strategic role in navigating the changes caused by COVID and Brexit. Two thirds say the IT department has played a key role in preparing for Brexit (65%) – and even that the team is itself better prepared for the transition than the rest of the business (65%).

But it's not just strategy; it's also speed. The IT department is now expected to deliver projects, services or digital changes faster, according to two thirds of leaders. All in all, most leaders believe that the IT team is more important now than ever before (67%).

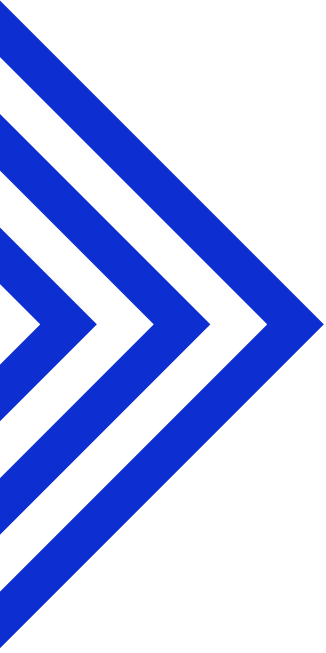
Many businesses are increasing their investments accordingly. In most organisations, the IT department has received extra resources (68%) or budget (67%) to prepare for the long-term impact of COVID and Brexit.

But IT teams aren't (quite) superhuman – and when demands are so high, there are inevitably limits to what can be done.

Three fifths of businesses have had to put some IT and digital projects on hold as a result of Brexit (59%). This unfortunately comes at a time when, in the eyes of many, Brexit has made it more important to get IT projects up and running fast (66%).

On the whole, two thirds say that the IT department more commonly acts as an inhibitor – rather than an enabler – of change (63%).





Two thirds of businesses have specifically adopted new technologies to enable IT and business teams to collaborate (65%). Even more impressively, 68% have implemented tech to empower non-IT employees to develop and implement their own digital business applications.

One way that IT teams are responding to this explosion in demand is by working more closely with other departments, even as social distancing keeps them apart. There has been increased collaboration between IT and other divisions of the organisation in the past year in many businesses – due to both COVID and Brexit (63%).

Two thirds of businesses have specifically adopted new technologies to enable IT and business teams to collaborate (65%). Even more impressively, 68% have implemented tech to empower non-IT employees to develop and implement their own digital business applications.

It's a sign of an exciting development – but leaders believe that more training is still needed to underpin the process. Two thirds believe that the IT department needs to work with the rest of the organisation to improve digital skills (65%).

But with more digital competence – and confidence – spread across teams, businesses should be better placed to implement the right technology to respond to COVID, Brexit and any other changes that may come.

## DEVELOPERS' CORNER: THERE'S NO NEED TO GO IT ALONE

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If there were ever any doubt, 2020 has proven beyond question the value of the IT department to the business. These teams have been central to helping companies prepare and adapt to the twists and turns of COVID and Brexit.

But the journey isn't over. Businesses need yet more digital projects, delivered even faster than before, to keep things going. And to meet these demands, it's worth considering an all new flexible - and collaborative - approach.

Low-code technology is a great way to accelerate digital projects. It provides a single, collaborative platform that enables anyone, regardless of developer background or expertise, to get involved in building business applications - with the oversight of IT, of course.

This allows for faster development of business-critical and innovative apps for the post-COVID and Brexit world, combining the business and domain expertise of citizen developers and the skills of the IT team.

IT can't do everything - and with a new approach to development, they don't have to.



# Chapter 4:

## A talent challenge

Along with COVID, Brexit has acted as a catalyst to address businesses' digital needs. Investing in more technology, more quickly, has become a priority for many organisations, whether it's business-critical digital portals for customers – or just facilitating ever-more elaborate remote socialising at the end of the week.




And of course, that places IT departments – and other digitally skilled staff and suppliers – front and centre in businesses' plans.

Almost 70% of businesses have already started training up employees for new digital roles, tasks and processes (67%). Nonetheless, 61% of leaders still need to hire in new staff with additional skills.

Unfortunately, this presents a problem. Leaders are concerned that the UK's transition from the EU will put a squeeze on digitally skilled talent.

61% are worried it will be harder to find the talent they need, while difficulties hiring international staff (14%) and losing current staff (13%) are challenges that many feel unprepared for.

Relationships with specialist suppliers – such as technology consultants – are also under strain. Three fifths of businesses have already changed partners or providers due to COVID, while 62% of leaders are concerned that Brexit will make it harder to find the suppliers they need.




Almost 70% of businesses have already started training up employees for new digital roles, tasks and processes (67%). Nonetheless, 61% of leaders still need to hire in new staff with additional skills.

But it's not all doom and gloom. Although in the eyes of 65% of leaders COVID has made it harder to train people on new digital technologies and processes, the increased reliance of the working world on tech – both old and new – has changed things.

Two thirds of leaders believe that employees have become more tech savvy over the course of 2020 as they have been required to work more closely with digital technologies (65%).

Despite the talent challenges, this could be an incredible springboard for businesses' digital efforts.



## DEVELOPERS' CORNER: DIGITAL SKILLS CAN COME FROM WITHIN

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UK businesses were contending with a digital skills gap long before 2020. But the last year has created a conundrum; although Brexit and COVID have made digital skills even more valuable, there's a risk that talent will be harder to come by.

But not if you stop looking outside the business and start looking within. With a change in mindset, that promotes inter-team skill sharing, you can help employees build on their experiences of remote working to become much more digitally adept.

Low-code technology is a powerful option here. By enabling IT to work directly

with colleagues in other teams to manage digital projects, you can not only accelerate innovation but enable other teams to gain critical development skills.

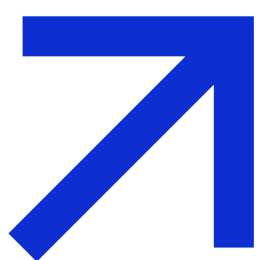
But it means embracing experimentation, learning and different ways of doing things – so that employees feel supported and able to grow. It's a different approach to collaboration and change that could help to raise the digital skills of the whole workforce – so that we're not left facing ever greater talent shortages in the years ahead.

# Industry Spotlights



# Financial Services

Businesses in the financial services sector have serious concerns about the impact of Brexit on their industry. Many believe that Brexit has damaged the reputation of the UK as a centre of finance (67%) – as well as creating functional challenges for businesses in the country.



In response, most leaders say that their business has moved some operations outside of the UK (60%) or invested in operations elsewhere (59%).

From a technology perspective, two thirds have deployed digital projects to make the business more flexible as a result of Brexit, with data management (62%) and digital processes (62%) particular focal points.

Many firms are concerned about their future prospects. Two thirds anticipate costly and complicated processes for cross-border payments and investments, while 59% believe it will be harder to attract foreign investments. Ultimately, 61% admit they will no longer be able to support some of their customers because of the transition.

# 58%



the proportion of leaders who say that low-code has enabled the development of new applications to support their companies post-Brexit.

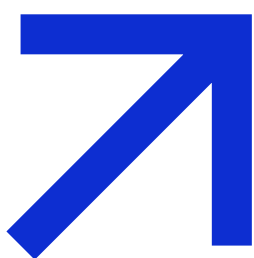
Most leaders (58%) say that low-code has enabled the development of new applications to support their companies post-Brexit.

This is encouraging news: low-code development has been helping financial sector firms respond to their changing needs, and the changing expectations of their customers. People have never relied more on online transactions than

during COVID, so this quick and flexible approach will be a key weapon in the financial sector arsenal.

# Insurance

Many insurance businesses have been left reeling from the impact of COVID. At the end of 2020, two thirds were still experiencing an increase in claims due to the pandemic – while a further 66% are expecting to process “a lot more” claims as a result of Brexit.



Efficiency will be key for processing claims on time, while protecting the customer experience. Fortunately, two thirds of insurers feel that the investments and changes they made in response to the pandemic have also helped them to prepare for Brexit. Six in ten leaders have already upgraded their IT systems to manage claims and back end processes faster.

At the same time, insurers are facing operational challenges due to the UK's transition out of the EU. Two thirds of businesses have already moved some of their operations offshore, while 64% will be investing more in operations outside of the UK as a result of Brexit.

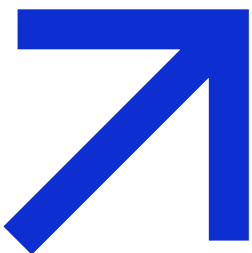
And although seven in ten businesses have implemented new ways of working for their customers outside of the UK, 62% of leaders admit they will no longer be able to support some customers as a result of the change.

Positively, of all the industries surveyed, insurance businesses are making the greatest use of low-code. Seven in ten agree that this developmental approach has allowed them to implement new applications to support the company post-Brexit – which will be a valuable asset for both the IT and other business departments.



# Public Sector

Public sector organisations have been critical to enabling the UK to cope with the COVID crisis. But unfortunately, this sector is not as prepared for the transition from the EU as you might expect; over half blame a lack of clarity from central government for putting them on the back foot when it comes to Brexit preparations (52%).



Technology has been an important support. Most organisations are investing in new digital tools to help the public and businesses navigate the changes that Brexit will bring (55%). Encouragingly, 60% of leaders say the investments and changes made in response to the COVID crisis have prepared them to be more digitally agile in the future.

Data protection is another key question following Brexit. While 54% of public sector organisations have changed how they store and manage data in response, only 54% are confident their department will be able to change its processes quickly enough to comply with new regulations – leaving many potentially at risk.

Across the board, confidence in the progress of public sector digitalisation seems low. More than half of leaders fear they're lagging when it comes to digital transformation (52%) – and crucially, only half of respondents believe they are sufficiently prepared to support all their constituents post-Brexit (52%).

Almost half of public sector organisations are already using low-code to implement new apps to support them moving forward.

Strengthening the digital skills within public sector organisations will be critical for keeping pace with change. By engaging 'citizen developers' – members of the team able to create their own applications using low-code platforms – organisations will be better placed to make full use of technology, to help the public recover from COVID.

# 49.8%

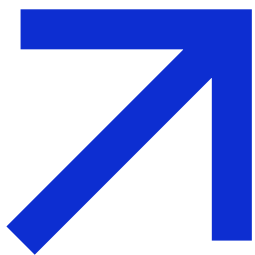


the number of public sector organisations that are already using low-code to implement new apps to support them in the future.



# Transport and Logistics

Transport and logistics have been under the spotlight throughout 2020. Transport providers had to adapt rapidly to social distancing rules to enable passengers to make essential journeys safely. Meanwhile, logistics companies had to keep supplies flowing amidst a global pandemic and the UK's departure from the EU.



Positively, most transport and logistics businesses felt prepared for the possible disruption caused by Brexit (62%). But as of the start of 2021, many leaders are still waiting for clarity from the government on the implications of the change (59%). One thing is clear however: to counter the new challenges that come from dealing with Brexit, the industry will need to beef up operations outside of the UK – by investing elsewhere (58%).

To navigate this uncertainty, much of the sector has turned to technology. Six in ten have rolled out digital projects to cope with tighter customs regulations (61%) or collaborate in new ways with colleagues outside of the UK (57%). Likewise, two thirds have invested in tech to monitor their supply chain and operations in response to Brexit.

# 6/10

transport and logistics decision makers who think low-code is already playing a crucial role in addressing the need for faster app development.

Being able to develop technology quickly, to keep up with any new changes as they emerge, will be critical. And to keep serving customers outside of the UK after Brexit, many transport and logistics businesses have already implemented new ways of working (64%).

For six in ten decision makers, low-code is already playing a crucial role in addressing this need for faster app development to support their business.

As this new approach to app development becomes the norm, transport & logistics companies will be better armed to address any new changes across their supply chain.

# Conclusion

With COVID and Brexit, the kind of shifts that might take place over a decade have hit companies all at once.

Organisations in every sector have done – and continue to do – an incredible job responding. And of course, technology has been a key resource.

But IT departments' time and money are still under pressure, and we need to consider new ways to meet organisations' needs.

Looking under the hood of digital transformation, at app development itself, there is an opportunity for businesses to innovate more quickly and collaboratively.

Using a low-code approach enables IT departments to meet business needs more quickly, avoiding inflexible architectures or integration headaches. It also allows citizen developers to combine their own expertise with the IT team's to develop apps that will make a difference.

And importantly, this collaborative approach to development helps to grow digital skills across the business, as part of a long-term solution to our talent challenge.

The UK has changed, and that journey is far from over. But with all the digital transformation that has been taking place, there's a hope that our organisations will be more agile, resilient and ready for whatever comes next.





#### Demographics

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This survey of 1,003 respondents in financial services, public sector, insurance and transport and logistics companies with over 1,000 employees was conducted between 18 and 31 December 2020. Respondents were split between business leaders and IT leaders. The research was conducted using an online survey by Censuswide on behalf of Mendix.